

## **INTERNAL SERVICE FUND**

	<b><u>2013-2014</u></b> <b><u>Actual</u></b>	<b><u>2014-2015</u></b> <b><u>Budget</u></b>	<b><u>2015-2016</u></b> <b><u>Budget</u></b>
<b>Revenues:</b>			
Miscellaneous	\$505,872	\$190,000	\$438,000
Contributions	7,427,382	7,848,000	8,220,935
Transfers In	31,964,855	30,367,855	28,496,200
Fund Balance Undesignated	0	1,780,000	2,520,000
Interest Income	26,752	32,000	21,865
	<u>\$39,924,861</u>	<u>\$40,217,855</u>	<u>\$39,697,000</u>
<b>Expenditures:</b>			
Professional Fees & Services	\$79,345	\$80,000	\$80,000
Administrative Fees	1,368,536	1,768,650	1,751,890
Claims	30,756,670	38,182,040	37,707,110
State of Connecticut Fees	128,949	187,165	158,000
	<u>\$32,333,500</u>	<u>\$40,217,855</u>	<u>\$39,697,000</u>

***The totals of three funds are combined to form the Internal Service Fund.***

The Internal Service Fund is the combination of the City's Health Benefits Fund and the "Old" and "New" self-insured Workers' Compensation Funds. The Health Benefits Fund is a self-insured fund administered by Cigna HealthCare, Express Scripts, and Anthem. This fund accounts for medical, prescription and dental claims for all eligible employees and retirees. The "New" Workers' Compensation Fund is also a self-insured fund and is administered by PMA Management Corporation. The "Old" Workers' Compensation Fund contains no budget and no actuals. It is in existence to pay open claims from 1985-1988.

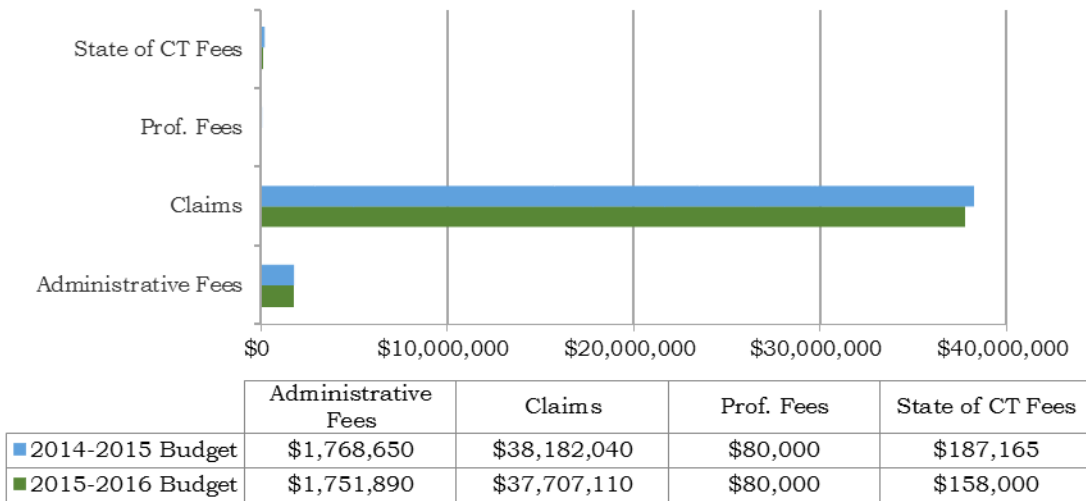
The total budget decreased 1.3% or \$520,855. The majority of the decrease is found within the Health Benefits Budget due to the continuous development of a wellness program as well as negotiated plan design changes within the City's medical insurance. Additionally, the management and oversight of the City's Workers' Compensation Plan has resulted in fewer work related injuries which reduces indemnity and medical costs. Individually, the New Workers' Compensation Fund Budget for 2015-16 has increased, but that is due to a shifting of costs for Heart & Hypertension from the General Fund to their proper place. \$700,000 is budgeted for those costs.

Shown on the next page is a graph of budgeted expenditures for the Internal Service Fund for 2014-2015 and 2015-2016. The claims decreased by \$474,930 in the 2015-2016 budget due to plan design changes. Workers' Compensation claims were not expected to increase due to the strong measures implemented by the Insurance Committee, a subcommittee of the City's Board of Finance.

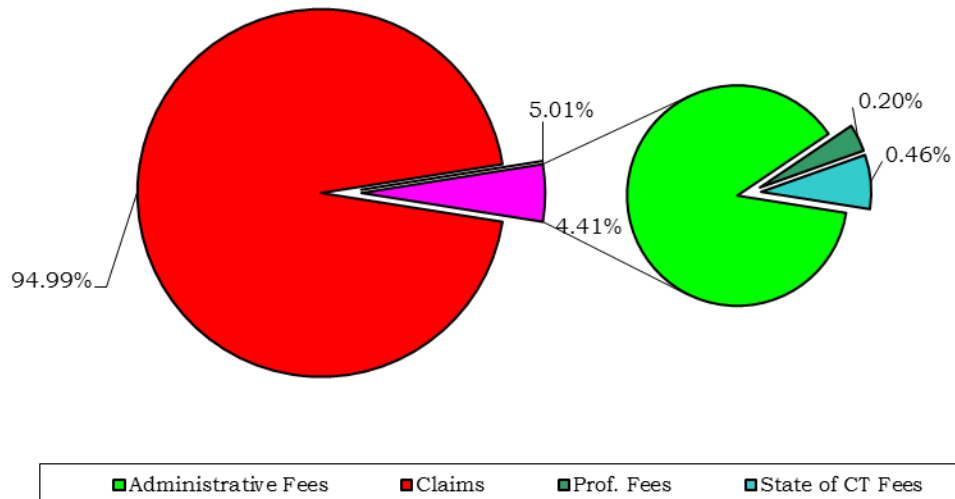
**Program Summaries-  
Internal Service Fund**

**Internal Service Fund - (continued)**

**2014-2015 vs 2015-2016 Internal Service Budget**



**2015-2016 Internal Service Budget**



**Program Summaries-  
Internal Service Fund**

**Internal Service Fund - (continued)**

**HEALTH BENEFITS FUND**

**1161018 HEALTH BENEFITS- SELF INSURANCE REVENUE**

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2013-2014	ORIGINAL BUDGET 2014-2015	REVISED BUDGET 2014-2015	BUDGET REQUEST 2015-2016	JOINT BOARD 2015-2016
<b>OTHER/MISCELLANEOUS REVENUE</b>							
450210		MEDICARE D REIMBURSEMENTS	\$93,975	\$90,000	\$90,000	\$88,000	\$88,000
454001		MISCELLANEOUS- OTHER	411,897	100,000	100,000	350,000	350,000
<b>TOTAL OTHER/MISCELLANEOUS REVE</b>			<b>\$505,872</b>	<b>\$190,000</b>	<b>\$190,000</b>	<b>\$438,000</b>	<b>\$438,000</b>
<b>CONTRIBUTIONS</b>							
470008		WATER CONTRIBUTIONS	\$1,039,734	\$936,000	\$936,000	\$1,100,000	\$1,100,000
470016		BOE EMPLOYEE CONTRIBUTIONS	2,535,958	2,700,000	2,700,000	2,670,165	2,670,165
470017		BOARD OF EDUCATION RETIREES	1,669,954	1,825,000	1,825,000	1,788,770	1,788,770
470029		COBRA CONTRIBUTIONS	60,882	70,000	70,000	60,000	60,000
470031		PENSION CONTRIBUTIONS	254,081	260,000	260,000	240,000	240,000
470032		CITY EMPLOYEE CONTRIBUTIONS	933,676	945,000	945,000	1,200,000	1,200,000
470035		CITY RETIREE CONTRIBUTIONS	25,415	22,000	22,000	30,000	30,000
480010		OTHER AGENCIES	853,934	935,000	935,000	1,000,000	1,000,000
480011		RETIREEES DEPENDENTS	45,246	55,000	55,000	45,000	45,000
<b>TOTAL CONTRIBUTIONS</b>			<b>\$7,418,880</b>	<b>\$7,748,000</b>	<b>\$7,748,000</b>	<b>\$8,133,935</b>	<b>\$8,133,935</b>
<b>OPERATING TRANSFERS IN</b>							
490001		GENERAL FUND	\$9,376,320	\$8,451,375	\$8,451,375	\$8,451,375	\$8,451,375
490104		BRISTOL DEVELOPMENT AUTHORITY	66,172	70,000	70,000	70,000	70,000
490106		SPECIAL GRANTS	219,528	45,000	45,000	45,000	45,000
490108		SPECIAL EDUCATION GRANT FUNDS	609,924	415,000	415,000	989,735	989,735
490118		SEWER ASSESSMENTS	337,790	385,000	385,000	365,000	365,000
490127		SCHOOL LUNCH	415,073	465,000	465,000	390,490	390,490
490136		TRANSFER STATION	98,606	105,000	105,000	105,000	105,000
490501		BOARD OF EDUCATION	14,183,265	15,582,600	15,582,600	14,032,600	14,032,600
490710		POLICE PENSION	188,427	499,000	499,000	0	0
490711		FIRE PENSION	332,065	495,000	495,000	0	0
<b>TOTAL OPERATING TRANSFERS IN</b>			<b>\$25,827,170</b>	<b>\$26,512,975</b>	<b>\$26,512,975</b>	<b>\$24,449,200</b>	<b>\$24,449,200</b>
<b>INVESTMENT EARNINGS</b>							
460000		INTEREST INCOME	\$11,599	\$20,000	\$20,000	\$8,865	\$8,865
<b>TOTAL INVESTMENT EARNINGS</b>			<b>\$11,599</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$8,865</b>	<b>\$8,865</b>
<b>OTHER</b>							
491003		BUDGETARY FUND BALANCE	\$0	\$1,780,000	\$1,780,000	\$2,520,000	\$2,520,000
<b>TOTAL FUND BALANCE</b>			<b>\$0</b>	<b>\$1,780,000</b>	<b>\$1,780,000</b>	<b>\$2,520,000</b>	<b>\$2,520,000</b>
<b>TOTAL HEALTH BENEFITS</b>			<b>\$33,763,521</b>	<b>\$36,250,975</b>	<b>\$36,250,975</b>	<b>\$35,550,000</b>	<b>\$35,550,000</b>

**1168102 HEALTH BENEFITS- SELF INSURANCE EXPENDITURES**

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2013-2014	ORIGINAL BUDGET 2014-2015	REVISED BUDGET 2014-2015	BUDGET REQUEST 2015-2016	JOINT BOARD 2015-2016
<b>CONTRACTUAL SERVICES</b>							
531000		PROFESSIONAL FEES	\$79,345	\$80,000	\$80,000	\$80,000	\$80,000
531150		ADMINISTRATIVE FEES	89,650	10,000	10,000	10,000	10,000
531152		CIGNA ADMIN	1,102,892	1,155,500	1,155,500	1,171,790	1,171,790
531154		MEDCO ADMIN	(6,766)	23,000	23,000	25,000	25,000
531155		ACA REINSURANCE FEE	0	260,120	260,120	214,105	214,105
531156		ANTHEM ADMIN	103,415	111,305	111,305	119,760	119,760
531165		ACA PCORI FEE	0	9,725	9,725	9,735	9,735
<b>TOTAL CONTRACTUAL SERVICES</b>			<b>\$1,368,536</b>	<b>\$1,649,650</b>	<b>\$1,649,650</b>	<b>\$1,630,390</b>	<b>\$1,630,390</b>
<b>OTHER/MISCELLANEOUS</b>							
586302		CIGNA CLAIMS	\$24,423,240	\$27,706,765	\$27,706,765	\$27,052,890	\$27,052,890
586304		MEDCO CLAIMS	5,202,581	5,614,560	5,614,560	5,586,640	5,586,640
586306		ANTHEM CLAIMS	1,130,849	1,280,000	1,280,000	1,280,080	1,280,080
<b>TOTAL OTHER/MISCELLANEOUS</b>			<b>\$30,756,670</b>	<b>\$34,601,325</b>	<b>\$34,601,325</b>	<b>\$33,919,610</b>	<b>\$33,919,610</b>
<b>TOTAL HEALTH BENEFITS</b>			<b>\$32,125,206</b>	<b>\$36,250,975</b>	<b>\$36,250,975</b>	<b>\$35,550,000</b>	<b>\$35,550,000</b>

**Program Summaries-  
Internal Service Fund**

**Internal Service Fund - (continued)**

## **WORKERS' COMPENSATION FUNDS**

There are two self-insured Workers' Compensation funds differentiated as "Old" and "New". The "Old" fund encompasses claims that occurred from 1985 through 1988. There is a balance in the "Old" fund of \$165,000 to handle all remaining claims. There is no budget for 2015-16, but the remaining \$165,000 will stay in the fund. Open claims will be evaluated on an annual basis to determine if additional funds are needed.

The "New" Workers' Compensation fund was established by the Insurance Committee, a subcommittee of the Board of Finance in 2003-04. The Insurance Committee meets quarterly to review claims, strategize on improving return-to-work programs, training and communication with employees. These efforts have paid off and the City is realizing a reduction in injuries. For the 2015-16 budget, it was suggested by the City's auditors that the expenditures related to Heart & Hypertension be shown in the Workers' Compensation Fund. As previously mentioned, a total of \$700,000 is budgeted in this fund for Heart & Hypertension.

**119 NEW WORKERS' COMPENSATION- SELF INSURANCE REVENUE**

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2013-2014	ORIGINAL BUDGET 2014-2015	REVISED BUDGET 2014-2015	BUDGET REQUEST 2015-2016	JOINT BOARD 2015-2016
<b>OPERATING TRANSFERS IN</b>							
454001	MISC/OTHER		\$2,221,710	\$0	\$0	\$0	\$0
490001	GENERAL FUND		3,270,300	3,209,205	3,209,205	\$2,785,000	3,485,000
490118	SEWER OPERATING & ASSESSMENT		80,000	80,000	80,000	70,000	70,000
490501	BOARD OF EDUCATION		565,675	565,675	565,675	492,000	492,000
<b>TOTAL OPERATING TRANSFERS IN</b>			<b>\$6,137,685</b>	<b>\$3,854,880</b>	<b>\$3,854,880</b>	<b>\$3,347,000</b>	<b>\$4,047,000</b>
<b>MISCELLANEOUS/CONTRIBUTIONS</b>							
470008	WATER DEPARTMENT CONTRIBUTION		\$8,502	\$100,000	\$100,000	\$87,000	\$87,000
<b>TOTAL MISCELLANEOUS/CONTRIBUTIONS</b>			<b>\$8,502</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$87,000</b>	<b>\$87,000</b>
<b>INVESTMENT EARNINGS</b>							
460000	INTEREST INCOME		\$15,153	\$12,000	\$12,000	\$13,000	\$13,000
<b>TOTAL INVESTMENT EARNINGS</b>			<b>\$15,153</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$13,000</b>	<b>\$13,000</b>
<b>NEW WORKERS' COMP SELF-TOTAL</b>			<b>\$6,161,340</b>	<b>\$3,966,880</b>	<b>\$3,966,880</b>	<b>\$3,447,000</b>	<b>\$4,147,000</b>

**119 NEW WORKERS' COMPENSATION- SELF INSURANCE EXPENDITURES**

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2013-2014	ORIGINAL BUDGET 2014-2015	REVISED BUDGET 2014-2015	BUDGET REQUEST 2015-2016	JOINT BOARD 2015-2016
<b>SALARIES</b>							
520930	HEART & HYPERTENSION SALARIES		\$0	\$0	\$0	\$575,000	\$575,000
<b>TOTAL SALARIES</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$575,000</b>	<b>\$575,000</b>
<b>CONTRACTUAL SERVICES</b>							
520930	HEART & HYPERTENSION BENEFITS		\$0	\$0	\$0	\$122,500	\$122,500
531000	HEART & HYPERTENSION ADMIN		\$0	\$0	\$0	\$2,500	2,500
531150	ADMINISTRATIVE FEES		\$199,000	\$199,000	\$199,000	\$199,000	199,000
<b>TOTAL CONTRACTUAL SERVICES</b>			<b>\$199,000</b>	<b>\$199,000</b>	<b>\$199,000</b>	<b>\$199,000</b>	<b>\$324,000</b>
<b>OTHER/MISCELLANEOUS</b>							
586220	INDEMNITY		\$432,708	\$1,198,660	\$1,198,660	\$1,020,000	\$1,020,000
586210	MEDICAL		605,406	2,107,055	2,107,055	1,730,000	1,730,000
586230	EXCESS INSURANCE		242,862	275,000	275,000	340,000	340,000
589155	STATE OF CONNECTICUT FEES		128,949	187,165	187,165	158,000	158,000
<b>TOTAL OTHER/MISCELLANEOUS</b>			<b>\$1,409,925</b>	<b>\$3,767,880</b>	<b>\$3,767,880</b>	<b>\$3,248,000</b>	<b>\$3,248,000</b>
<b>NEW WORKERS' COMP- TOTALS</b>			<b>\$1,608,925</b>	<b>\$3,966,880</b>	<b>\$3,966,880</b>	<b>\$3,447,000</b>	<b>\$4,147,000</b>